

1 **ILLINOIS POWER COMPANY**
2 **DOCKET NO. 00-0461**
3 **PREPARED DIRECT TESTIMONY OF**
4 **JACQUELINE K. VOILES**
5 **JULY 7, 2000**

CHIEF CLERK'S OFFICE

ILLINOIS
COMMERCE COMMISSION
JUL 7 3 50 PM '00

6 **I. WITNESS INTRODUCTION**

7 1. Q. Please state your name, business address and present position.

8 A. Jacqueline K. Voiles, 500 South 27th Street, Decatur, Illinois 62521. I am the
9 Manager of Delivery Services in the Business Development Services Department of
10 Illinois Power Company ("Illinois Power", "IP" or "Company").

11 2. Q. Please summarize your education and employment experience.

12 A. I graduated from Millikin University in 1987 with a Bachelor of Science Degree in
13 Mathematics Education. I received a Masters Degree in Business Administration in
14 1999 from the University of Illinois. I have been employed by Illinois Power since
15 1988 in the following positions: Rate Analyst/Senior Rate Analyst (1988-1990),
16 Business Development Specialist (1990-1991), Rate Specialist (1991-1994),
17 Competitive Pricing Specialist (1994-1995), Director of State Regulatory Affairs
18 (1995-1998), and Danville Regional Manager (1998-1999). I began my present
19 position as Manager of Delivery Services in December 1999.

20 3. Q. What are your duties and responsibilities in your present position?

21 A. My duties and responsibilities include administration of all of IP's Delivery Services
22 tariffs (including transition charge tariffs), management of Illinois Commerce
23 Commission proceedings relating to Delivery Services tariffs, providing direction
24 and guidance within Illinois Power for the implementation of customer choice, and
25 coordination with IP's Transmission Services organization on Delivery Service-
26 related matters. I also have responsibility for load profiling services.

27 **II. PURPOSE OF TESTIMONY**

28 4. Q. What is the purpose of your testimony?

29 A. The purpose of my testimony is to support the changes made to Illinois Power
30 Company's Transition Charge tariff (Rider TC) filed on June 5, 2000. I will also
31 discuss the specific details concerning the timing and implementation processes
32 associated with calculating customer transition charges with the Market Value Index
33 ("MVI") prices.

34 5. Q. Is the Company making changes to any other tariff at this time?

35 A. Yes. After discussions with various parties and examining the relevant tariffs, IP is
36 now also proposing modifications to Rider PPO, Power Purchase Option Service,
37 Service Classification 110, Non-Residential Delivery Services, and Service
38 Classification 150, Services for Customer Self-Managers and Retail Electric
39 Suppliers.

40 6. Q. In addition to your prepared testimony, IP Exhibit 3.1, are you sponsoring other
41 exhibits?

42 A. Yes, I am sponsoring IP Exhibits 3.2 through 3.5, which were prepared under my
43 supervision and direction.

44 7. Q. Please identify these exhibits.

45 A. IP Exhibit 3.2 is a red-lined copy (excluding filed and effective date footnotes) of
46 proposed Rider TC, Transition Charge for Non-Residential Customers (without
47 appendices). Numerous changes have been made to the currently-effective Rider TC
48 to provide for the proposed MVI prices.

49 IP Exhibit 3.3 is a red-lined version (excluding filed and effective date
50 footnotes) of proposed Rider PPO, Power Purchase Option Service. Again,
51 numerous changes have been made to the currently-effective Rider PPO to provide
52 for the proposed MVI prices.

53 IP Exhibits 3.4 and 3.5 are red-lined copies of specific pages within Service
54 Classification 110, Non-Residential Delivery Services, and Service Classification
55 150, Services for Customer Self-Managers and Retail Electric Suppliers and reflect
56 proposed changes to those tariffs. The changes to these exhibits are described later
57 in my testimony.

58 **III. REVISIONS TO RIDER TC**

59 8. Q. Please identify the major revisions and additions to Rider TC relating to the provision
60 of Rider MVI.

61 A. Section 4(a) has been substantially revised to reflect that Rider MVI is determining
62 market values as opposed to the report of the Neutral Fact Finder ("NFF").

63 Language has been added to Section 5, Determination of Customer's TC
64 Group to indicate that monthly information sheets to Appendix 1, TC Groups
65 (formerly Appendix 4) will be filed with the Commission on or before the eighth
66 business day of the month prior to the start of each Annual Period setting forth the
67 transition charges for each TC Group that will be applicable during the immediately
68 succeeding Annual Period.

69 In addition a new Section 6, Determination of Transition Charges for Annual
70 Periods, has been added. Such new language indicates among other things, when and
71 how Illinois Power will calculate Transition Charges and the effective period for the
72 same. This will be further discussed later in my testimony.

73 Section 7(d) has been modified to reflect changes in the calculation of the fee
74 charged to customers for the option to revoke the customer's notice to use the NFF
75 market values (if the NFF were to publish market values for more than just one year)
76 in the determination of the Customer's transition charges in their contracts. Messrs.
77 Peters & Jones will address this fee in their testimony.

78 Further, to help improve the understandability of Rider TC, Illinois Power is
79 proposing to cancel Appendix 1, Appendix 2, and Appendix 3. Illinois Power will
80 retain the detailed information contained in Appendix 1 (Coincident Peak
81 Determination), Appendix 2 (Allocation of Usage), and Appendix 3 (Rates) as
82 applicable workpapers to the tariff. Also, Appendices 4 and 5 have been reclassified

83 as Appendix 1 and 2, respectfully, and appropriate references throughout the tariff
84 have been modified.

85 In a number of other sections of Rider TC, such as definitions, other less
86 substantive changes have been made, such as adding references to workpapers where
87 needed.

88 **IV. REVISIONS TO RIDER PPO**

- 89 9. Q. Please identify the revisions in Rider PPO relating to the provision of Rider MVI.
90 A. In Sections 1, 2 (b), and 5 (a) of the currently effective Rider PPO, the reference to
91 Appendix 5 has been changed to Appendix 2. Also, in Sections 2 (b) and 5 (a),
92 January 1 has been deleted to reflect the methodology changes from NFF to Rider
93 MVI. The definition of Annual Period has been changed to be consistent with Rider
94 TC. In addition, language has been added to Section 5 (a) to insure that customers
95 receive the same market prices in Rider PPO as those used in their respective
96 transition charge calculations.

97 These revisions represent a change from our June 5 filing and were the result
98 of discussions with various parties concerning IP's initial filing.

99 In a separate filing with the Commission, IP has proposed changes to Rider
100 PPO. IP Exhibit 3.3 will incorporate the pending changes to Rider PPO upon
101 approval by the Commission.

102 **V. REVISIONS TO SC 110**

- 103 10. Q. Please identify the revisions to SC 110.

104 A. In Section 5 (d) of SC 110, Enrollment for Delivery Services, the cancellation DASR
105 time requirement is being changed from the fifteenth Business Day to the fifth
106 Business Day. This change will allow additional time for Customer Self- Managers
107 or Retail Electric Suppliers (“RESs”) to evaluate the MVI information and issue
108 cancellation Direct Access Service Requests (“DASRs”) if needed.

109 These revisions represent a change from our June 5 filing and were the result
110 of discussions with various parties concerning IP’s initial filing.

111 **VI. REVISIONS TO SC 150**

112 11. Q. Please identify the revisions to SC 150.

113 A. In Section 4 (d) of SC 150, Enrollment and Termination of Customers with Utility,
114 the cancellation DASR time requirement is being changed from the fifteenth
115 Business Day to the fifth Business Day. This change is consistent with the change
116 to SC 110 which will allow additional time for Customer Self- Managers or RESs to
117 evaluate the MVI information and issue cancellation DASRs if needed.

118 Consistent with the revisions to SC 110, these revisions represent a change
119 from our June 5 filing and were the result of discussions with various parties
120 concerning IP’s initial filing.

121 **VII. IMPLEMENTATION**

122 12. Q. Does Illinois Power propose to change the method for calculating transition charges
123 once the MVI methodology produces market values?

124 A. No. Illinois Power's intent is to keep the transition charge calculation the same. The
125 only change is to the input values that go into that calculation.

126 13. Q. Given the monthly updates, how does Illinois Power plan to implement Rider TC?

127 A. As described by Messrs. Peters & Jones, market values will be publicly available by
128 the eighth business day of the preceding month in which they will be effective. Also,
129 as a by-product of automating the process, all relevant TC information will be
130 available by the same day. Market values and Group TCs will be filed in an
131 informational notice with the Commission and posted on IP's website. Individual
132 customer TCs will be available on IP's website. Thus, customers (and their
133 authorized RES) will have all the necessary information they will need to make a
134 purchasing decision sufficiently in advance of having to submit a DASR (much less
135 the additional time they have to cancel one if needed).

136 14. Q. Once a customer opts for choice, how long will the market values used to calculate
137 TCs be effective under MVI?

138 A. The market values will be effective for one year. With the NFF process, market
139 values changed each January and thus only those customers who began choice in
140 January have a TC calculated on a known full-year market value. In contrast, IP's
141 proposal, locks in the market values used to set each customer's TCs for a full year,
142 regardless of when they begin choice.

143 15. Q. Does the new MVI process for calculating market values and TCs cause you any
144 concerns with respect to the transition from the NFF process to the new process?

145 A. Yes. First, implementing the transition from the NFF values (and TCs calculated
146 based on those values) will take some period of time after a final decision is entered
147 in this case. If the implementation date is not on January 1, 2001, then there will
148 need to be a period in which the NFF 2001 values are used. Illinois Power is hopeful
149 that this will not become an issue and that an Order can be entered in a timely
150 manner. However, Illinois Power understands that it may take longer to reach such
151 a decision. If so, we are open to the parties' suggestions on how best to transition
152 from the NFF 2001 values to the MVI values. Currently, we are considering an
153 approach that would use the NFF 2001 values until the customer's anniversary date,
154 at which point they would convert to the MVI.

155 Second, IP committed to the Chairman of the Commission (in an open
156 meeting earlier this year) to calculate all commercial and industrial customers' TCs
157 by December 1, 2000 (because all remaining non-residential customers gain choice
158 on January 1, 2001). We also committed to start placing the results of those
159 calculations on the customers' bills starting in December. However, if MVI is
160 approved in a timeframe that permits implementation on January 1, 2001, this
161 commitment must be altered slightly because the market values (and TCs) will not
162 be known until December 12, 2000. However, this still provides customers and
163 marketers with sufficient time to make a decision. It has the additional advantage of
164 not having to address the transition issue if NFF 2001 values must be used for some
165 period of time. And, because all market participants will have more accurate market

166 values to use, Illinois Power believes this modest change in its commitment is on
167 balance beneficial to all.

168 16. Q. Does this conclude your prepared direct testimony?

169 A. Yes, it does.

Illinois Power Company

Ill. C. C. No. 31

Schedule of Rates for Electric Service

Original First Revised Sheet No. 95.1

(Canceling Original Sheet No. 95.1)

RIDER TC - PAGE 1 OF 1214**TRANSITION CHARGE FOR NON-RESIDENTIAL CUSTOMERS****1. Applicability**

- (a) This Rider is applicable to the following non-residential Customers in Utility's Service Area: (i) all Customers served under Service Classification 110, (ii) all Non-Qualifying Self-Generation Customers, and (iii) all Direct Purchase Customers.
- (b) A Customer served under Service Classification 110 shall be billed each billing period for an amount of Transition Charges equal to the product of the number of kWh delivered to Customer under Service Classification 110 in the billing period (adjusted, if necessary, in accordance with subsection 1(e) hereof), multiplied by (i) the Transition Charge for the current Annual Period applicable to Customer, if Customer's Transition Charge is determined by a Customer-specific calculation as provided in Section 3 hereof or (ii) the Transition Charge for the current Annual Period applicable to the TC Group which includes Customer. The amounts in (i) and (ii) shall be calculated in accordance with Section 4(a) of this Rider.
- (c) A Non-Qualifying Self-Generation Customer shall be billed each billing period for an amount of Transition Charges equal to the product of the number of kWh received by such Customer from Customer's Non-Qualifying Self-Generation Facility as though such kWh had been delivered to Customer by Utility, multiplied by (i) the Transition Charge applicable to Customer, if Customer's Transition Charge is determined by a Customer-specific calculation as provided in Section 3 hereof or (ii) the Transition Charge applicable to the TC Group which includes Customer. The amounts in (i) and (ii) shall be calculated in accordance with Section 4(a) of this Rider except that a factor DSc shall not be included in such calculation.
- (d) A Direct Purchase Customer shall, on or before its Direct Purchase Customer Determination Date, either (i) pay Utility a lump-sum amount equal to the total amount of Transition Charges which the Direct Purchase Customer would pay Utility if it took service under Service Classification 110 from the Direct Purchase Customer Determination Date to December 31, 2006; or (ii) sign a contract with Utility obligating the Direct Purchase Customer to pay such lump-sum amount

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1. Applicability (Continued)

(d) (Continued)

ratably in equal monthly payments over the period from the Direct Purchase Customer Determination Date to December 31, 2006. The lump-sum amount of Transition Charges shall be calculated in accordance with Section 4(b) of this Rider.

- (e) If a Customer obtained electric power and energy from cogeneration or self-generation facilities installed for its own use on or before January 1, 1997 but subsequently takes service from an Alternative Retail Electric Supplier or an electric utility other than Utility for any portion of the Customer's electric power and energy requirements formerly obtained from such cogeneration or self-generation facilities, the Transition Charge otherwise applicable to Customer under Section 1(b) or 1(d) of this Rider shall not be applicable to that portion of Customer's electric power and energy requirements formerly obtained from such cogeneration or self-generation facilities, provided, that such portion shall not exceed the average number of kWh per year obtained from such cogeneration or self-generation facilities during the three years prior to Customer's Delivery Services Eligibility Date, and provided further, that the exemption from Transition Charges provided by this Section 1(e) shall not apply to any kWh purchased by Customer from Utility pursuant to Rider PPO.

2. Definitions

As used in this Rider, the following terms shall have the meanings set forth below. All other capitalized terms used in this Rider shall have the meanings set forth in Utility's Service Classification 110, in Utility's Standard Terms and Conditions and in Utility's Rules, Regulations and Conditions Applying to Delivery Services.

Alternative Retail Electric Supplier has the same meaning as set forth in Section 16-102 of the Public Utilities Act.

- * **Annual Period** means the ~~calendar year~~ one-year period for which a Transition Charge is applicable, ~~provided that the period October 1, 1999 through December 31, 2000 shall be an Annual Period.~~

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Schedule of Rates for Electric Service

Original First Revised Sheet No. 95.3

(Canceling Original Sheet No. 95.3)

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2. Definitions (Continued)

- * **Business Type** shall mean one of the following establishments for which load profiles shall be applied in calculating Transition Charges, as provided in ~~Appendix 2 of this Rider~~ workpapers to this Rider regarding allocation of usage: (1) office, (2) restaurants, (3) retail, (4) grocery stores, (5) schools, (6) lodging, and (7) miscellaneous commercial.

Central Prevailing Time means Central Standard Time or Central Daylight Time as in effect in Utility's service area on any day.

- * **Coincident Peak Demand** means the demands of a Customer or TC Group each month occurring at the same time as the maximum demand on Utility's system in such month. For Customers or TC Groups for which there is not historical data on hourly usage, an estimate of the monthly Customer or TC Group Coincident Peak Demand shall be determined as described in ~~Appendix 1 to this Rider~~ workpapers to this Rider regarding coincident peak determination.

Contract Rate means the price or prices for electric service specified in a special or negotiated rate contract or in a contract service contract between Utility and Customer.

Delivery Services Eligibility Date means the date on which Customer first became eligible for Delivery Services, and shall be one of the following dates, as applicable to Customer: (i) October 1, 1999; (ii) the date between October 1, 1999 and December 31, 2000, on which Customer became eligible for Delivery Services on the basis of an average monthly maximum demand greater than 4 MW; or (iii) December 31, 2000. For all non-residential Customers first becoming a Customer of Utility subsequent to December 31, 2000, Customer's Delivery Services Eligibility Date shall be December 31, 2000.

Direct Purchase Customer means a Customer that takes electric power and energy from an Alternative Retail Electric Supplier or from an electric utility other than Utility but that does not take service under Service Classification 110 for delivery of such electric power and energy to Customer.

Direct Purchase Customer Determination Date means the later of (i) the date the Customer becomes a Direct Purchase Customer or (ii) the Direct Purchase Customer's Delivery Services Eligibility Date.

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~~Original~~First Revised Sheet No. 95.4

(Canceling Original Sheet No. 95.4)

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2. Definitions (Continued)

Firm means electric power and energy priced on a cents per kWh basis which is not subject to curtailment by Utility except to the extent Customers served on Utility's Bundled Service Classifications (excluding Service Classifications 30 and 35, Rider S and the interruptible portion of any Contract Rate) are similarly curtailed.

Neutral Fact Finder means the person appointed by the Commission pursuant to Section 16-112(b) of the Public Utilities Act, 220 ILCS 5/16-112(b).

NonFirm means electric energy priced on a cents per kWh basis with no component in such price for the value of electric power.

Non-Qualifying Self Generation Customer means a Customer receiving electric energy from a Non-Qualifying Self-Generation Facility.

Non-Qualifying Self-Generation Facility means a cogeneration or self-generation facility or facilities located at Customer's premises which do not meet each of criteria (i) through (iv) in Section 16-108(f) of the Public Utilities Act, unless such facility (a) does not serve any other Customer and (b) either (i) was installed on behalf of Customer and for Customer's own use prior to January 1, 1997, or (ii) is both predominantly fueled from by-products of Customer's manufacturing process at such premises and sells or offers an average of 300 MW or more of electric power and energy produced from such facilities into the wholesale market.

On Peak means the hours beginning at 6:00 A.M. Central Standard Time and ending at 10:00 P.M. Central Standard Time for the days Monday through Friday, excluding NERC Holidays.

* **Off Peak** means all hours that are not On Peak, including NERC Holidays.

* **Tariff Rate** means the charges for electric service set forth in Appendix 3 workpapers to this Rider for the Service Classification under which the Customer took service from Utility, or would have taken service from Utility had Customer been a customer of Utility, during the 12 months preceding the Customer's Delivery Services Eligibility Date. Such charges reflect the base rates in effect on October 1, 1996, adjusted for the elimination of Utility's fuel adjustment clause.

TC Group means a grouping of Customers for purposes of determination of a Transition Charge as provided in Section 5 of this Rider.

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~~Original~~First Revised Sheet No. 95.5

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3. Customers for Which Transition Charge Will be Determined by a Customer-Specific Calculation

Utility shall calculate the Transition Charge for each applicable Annual Period by a Customer-specific calculation for any Customer falling into at least one of categories (a) through (c) below, provided, that there exists either (i) data on Customer's usage during the three years preceding Customer's Delivery Services Eligibility Date, or (ii) if such data does not exist, comparable usage information or sufficient basis in Utility's reasonable judgment to develop a three-year usage history for Customer, and provided further, that Customer shall sign a contract with Utility specifying the Transition Charges to be paid by Customer. The Transition Charge applicable to each Customer subject to this Rider that is not entitled to a Customer-specific calculation shall be the Transition Charge calculated for the applicable Annual Period for the TC Group established pursuant to Section 5 of this Rider which includes Customer.

- (a) Any Customer with average maximum electrical demand on Utility's system during the six months with Customer's highest monthly maximum electrical demands during the three years prior to Customer's Delivery Services Eligibility Date of 100 kW or greater;
- (b) Any Customer served on a special or negotiated rate contract or a contract service contract during the 12 months preceding Customer's Delivery Services Eligibility Date, unless such contract prohibits use of Customer's Contract Rate to calculate Transition Charges; and
- (c) Any Customer served at a Delivery Voltage greater than 600 volts.

4. Determination of Transition Charge

- (a) For Customers taking service under Service Classification 110, the Transition Charge applicable to each Customer entitled to a Customer-specific calculation in accordance with Section 3, or to each Customer in a TC Group, for each Annual Period shall be calculated as follows:

$$TCc = (BRc - DSc - MVc - Mc)/Qc \times 100$$

Where:

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4. Determination of Transition Charge (Continued)

(a) (Continued)

TCc = Per kWh Transition Charge, expressed in cents per kWh and rounded to the nearest .001 cents, to be billed for each kWh delivered to Customer during the Annual Period, provided, that if TCc for such Customer or TC Group as calculated per the above formula for an Annual Period is less than zero, then Customer's Transition Charge shall be zero for such Annual Period.

BRc = The amount of revenue Utility would receive from a Customer entitled to a Customer-specific calculation in accordance with Section 3, or from the Customers in a TC Group, if Utility were serving such Customer's or Customers' electric power and energy requirements under (i) the Tariff Rate or (ii) the Contract Rate, as applicable, under which the Customer or TC Group was taking service, or would have taken service had the Customer been a Customer of Utility, during the 12 months prior to the Customer's Delivery Services Eligibility Date, based on the actual values for the Customer or TC group of the billing determinants used in the Tariff Rate or Contract Rate applicable to such Customer or TC Group during the 36 month period ended 90 days prior to Customer's or Customers' Delivery Service Eligibility Date and on Qc for such Customer or TC Group. For Customer who took service on more than one Tariff Rate or Contract Rate during such 12 month period and is entitled to a customer-specific calculation, BRc shall be a prorated calculation based on the portions of such 12 month period during which Customer took service on each such Tariff Rate or Contract Rate. Any Customer not entitled to a Customer-specific calculation that took service on more than one Tariff Rate during such 12 month period shall be placed in a TC Group associated with the Tariff Rate on which the Customer last took service during such 12-month period.

DSc = The amount of revenue Utility would receive from a Customer entitled to a Customer-specific calculation in accordance with Section 3, or from the Customers in a TC Group, if Utility were to deliver such Customer's or TC Group's electric power and energy requirements to such Customer or Customers based on Utility's current rates for Transmission Services and Ancillary Services under its Open Access Transmission Tariff and for Distribution Delivery Services under Service Classification 110, with DSc calculated as:

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4. Determination of Transition Charge (Continued)

(a) (Continued)

$$DSc = Tc + Dc + A1c + A4c + [(A2c + A3c + A5c + A6c) X (1 + LFA)],$$

Where:

* Tc = The amount of Transmission Service revenue Utility would receive from the Customer or TC Group for transmitting Qc (adjusted for losses to the generation level based on LFA), based on the prices for Network Integration Service in Schedule 34 of Utility's Open Access Transmission Tariff at the time of the calculation and calculated in accordance with Appendix 1 to this Rider. workpapers to this Rider regarding coincident peak determination.

Dc = The amount of Distribution Delivery Services revenue (excluding any Transition Charge revenue) Utility would receive for transmitting Qc, based on the rates in Service Classification 110 and the Distribution Delivery Services taken by Customer from Utility. Distribution Delivery Services that are self-provided by the Customer or that the Customer obtains from a third party shall not be included in the computation of Dc.

A1c = The amount of revenue Utility would receive from Customer or TC Group for transmitting Qc, based on Schedule 1, Scheduling, System Control and Dispatch Service, of Utility's Open Access Transmission Tariff.

A2c = The amount of revenue Utility would receive from Customer or TC Group for transmitting Qc, based on Schedule 2, Reactive Supply and Voltage Control from Generation Sources Service, of Utility's Open Access Transmission Tariff.

A3c = The amount of revenue Utility would receive from Customer or TC Group for transmitting Qc, based on Schedule 3, Regulation and Frequency Response Service, of Utility's Open Access Transmission Tariff.

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4. Determination of Transition Charge (Continued)

(a) (Continued)

A4c = 0.0204 cents/kWh

A5c = The amount of revenue Utility would receive from Customer or TC Group for transmitting Qc, based on Schedule 5, Operating Reserve - Spinning Reserve Service, of Utility's Open Access Transmission Tariff.

* A6c = The amount of revenue Utility would receive from Customer or TC Group for transmitting Qc, based on Schedule ~~5,6~~, Operating Reserve - Supplemental Reserve Service, of Utility's Open Access Transmission Tariff.

LFA = The loss factor applicable to Customer or to Customers in the TC Group, based on such Customer's or Customers' Delivery Voltage, as specified in Utility's Open Access Transmission Tariff and Service Classification 110. LFA represents the additional amount of energy that electric power and energy providers must supply in order for a Customer or TC Group to receive one kWh of energy. For purposes of this Rider, all Customers in a TC Group shall be deemed to be served at distribution - secondary Delivery Voltage.

* MVc = The market value of Qc for Customer entitled to a Customer-specific calculation in accordance with Section 3, or for the TC Group, during an Annual Period with MVc calculated as:

$$MVc = \Sigma[(Mkt(i) \times Qci) \times (1 + LFA)],$$

~~Period. MVc shall be calculated using the Firm and NonFirm per kWh market values~~ Where: Σ =

The summation of the monthly values of Mkt for the temporal periods determined from Rider MVI or, if Rider MVI is not in effect or has no values for an Annual Period, the values of Mkt for the temporal periods in the such Annual Period as reported in the most recent report of the Neutral Fact Finder. applicable to such Annual Period, adjusted as described in the next sentence, as applied to Qc. The temporal periods for values of Mkt determined from Rider MVI shall be On Peak and Off Peak. In the calculation of MVc, the market values per kWh in the On-Peak period or periods as reported in the report of the Neutral Fact Finder shall be adjusted using the adjustment for differences in load profiling required by Section IV.B.2.a.iii of the Commission's Order issued August 25, 1999, in Dockets 99-0120 and 99-0134, which adjustment shall be performed using data for the 12 month period ending on the last day of the second calendar month immediately preceding the start of the Annual Period, (ii) the market each November 30th.

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~~First~~Second Revised Sheet No. 95.9
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4. Determination of Transition Charge (Continued)

(a) (Continued)

*Mkt(i) = Per kWh market value of electric power and energy for a temporal period for each month, with Mkt calculated as:

$$\text{Mkt(i)} = \frac{[(\text{FirmP\&E(i)} \times \text{FirmQci}) + (\text{NonFirmP\&Ec(i)} \times \text{NonFirm Qci})]}{(\text{Firm Qci} + \text{NonFirm Qci})}$$

where:

FirmP&E(i) = Per kWh market value of Firm Energy for the temporal period for each month, adjusted by the Customer's actual historical usage (if available) or TC Group's applicable monthly load profile for each such month in accordance with workpapers to this Rider regarding allocation of usage.

NonFirmP&E(i) = Per kWh market value of NonFirm Energy for the temporal period for each month, adjusted by the Customer's actual historical usage (if available) or TC Group's applicable monthly load profile for each such month in accordance with workpapers to this Rider regarding allocation of usage.

FirmQci = All kWh usage of Customer or TC Group in Qc for the temporal period of each month which is not NonFirmQci.

NonFirmQci = kWh usage of Customer or TC Group in Qc for the temporal period for each month supplied under Service Classification 30, Service Classification 35, Rider S, or the interruptible portion of a Contract Rate.

≡The market values per kWh in each period, after adjustment pursuant to the preceding clause, shall be increased by 0.0505 cents per kWh to represent retail marketing costs and uncollectibles costs. The Firm and NonFirm market values, showing adjustments in accordance with the preceding sentence, applicable to the temporal periods in the current Annual Period, shall be set forth in a monthly Information Sheet to Appendix 2 of this Rider. Utility shall file a revised Information Sheet to Appendix 2 of this Rider with the Commission on or before the eighth business day of the month prior to the start of each Annual Period setting forth the market values that will be applicable during the immediately succeeding Annual Period.